

By: Representatives Johnson, Harness, Clark To: Ways and Means

HOUSE BILL NO. 542

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR A PERCENTAGE OF
2 THE COST OF INSTALLING NEW ALTERNATIVE FUELING INFRASTRUCTURE FOR
3 CERTAIN ALTERNATIVE FUELS; TO PROVIDE AN INCOME TAX CREDIT FOR A
4 PERCENTAGE OF THE COST OF INSTALLING A RESIDENTIAL COMPRESSED
5 NATURAL GAS FUELING SYSTEM; TO DEFINE CERTAIN TERMS USED IN THIS
6 ACT; TO PRESCRIBE THE MAXIMUM AMOUNT OF THE ONE-TIME CREDIT, BASED
7 ON THE TYPE OF QUALIFIED CLEAN-BURNING MOTOR VEHICLE FUEL
8 PROPERTY, WHICH MAY BE CLAIMED IN A TAXABLE YEAR; TO PROVIDE THAT
9 ANY UNUSED PORTION OF THE CREDIT MAY BE CARRIED FORWARD FOR THE
10 SUCCEEDING FIVE TAX YEARS; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 **SECTION 1.** (1) As used in this section, the following words
13 and phrases have the meanings ascribed in this subsection unless
14 the context clearly indicates otherwise:

15 (a) "Qualified clean-burning motor vehicle fuel
16 property" means any one (1) of the following:

17 (i) Equipment installed to modify a motor vehicle
18 that is propelled by gasoline or diesel fuel so that the vehicle
19 may be propelled by compressed natural gas, liquefied natural gas,
20 liquefied petroleum gas or propane gas. The equipment covered by
21 this subparagraph (i) must:



22 1. Be new, not have been used previously to
23 modify or retrofit any vehicle propelled by gasoline or diesel
24 fuel and have been installed by an alternative fuels equipment
25 technician who is certified in accordance with the Alternative
26 Fuels Technician Certification Act;

27 2. Meet all Federal Motor Vehicle Safety
28 Standards set forth in 49 CFR 571; or

29 3. For any commercial motor vehicle (CMV),
30 follow the Federal Motor Carrier Safety Regulations or similar
31 applicable Mississippi regulations;

32 (ii) A motor vehicle originally equipped so that
33 the vehicle may be propelled by compressed natural gas, liquefied
34 natural gas, liquefied petroleum gas or propane gas, but only to
35 the extent of the portion of the basis of the motor vehicle which
36 is attributable to the storage of such fuel, the delivery to the
37 engine of the motor vehicle of such fuel, and the exhaust of gases
38 from combustion of such fuel;

39 (iii) Property, not including a building and its
40 structural components, which is either:

41 1. Related directly to the delivery of
42 compressed natural gas, liquefied natural gas or liquefied
43 petroleum gas for commercial purposes or for a fee or charge, into
44 the fuel tank of a motor vehicle propelled by such fuel, including
45 compression equipment and storage tanks for such fuel at the point
46 where the fuel is delivered, but only if the property is not used



to deliver such fuel into any other type of storage tank or receptacle and the fuel is not used for any purpose other than to propel a motor vehicle; or

2. A metered-for-fee, public access recharging system for motor vehicles propelled, in whole or in part, by electricity. The property covered by this item 2 must be new and must not have been installed previously or used previously to refuel vehicles powered by compressed natural gas, liquefied natural gas, liquefied petroleum gas, propane gas or electricity; or

(iv) Property that is related directly to the compression and delivery of natural gas from a private home or residence, for noncommercial purposes, into the fuel tank of a motor vehicle propelled by compressed natural gas. The property covered by this subparagraph (iv) must be new and must not have been installed previously or used previously to refuel vehicles powered by natural gas.

(b) "Motor vehicle" means a motor vehicle originally designed by the manufacturer to operate lawfully and principally on streets and highways.

(2) There shall be allowed a one-time credit against the income tax imposed by this chapter for investments in qualified clean-burning motor vehicle fuel property.

(3) The credit provided for in subsection (2) of this section shall be as follows:



72 (a) For the qualified clean-burning motor vehicle fuel
73 property defined in paragraph (a)(i) or (a)(ii) of subsection (1)
74 of this section, fifty percent (50%) of the cost of the qualified
75 clean-burning motor vehicle fuel property.

76 (b) For qualified clean-burning motor vehicle fuel
77 property defined in paragraph (a)(iii) of subsection (1) of this
78 section, a per-location credit of seventy-five percent (75%) of
79 the cost of the qualified clean-burning motor vehicle fuel
80 property.

81 (c) For qualified clean-burning motor vehicle fuel
82 property defined in paragraph (a)(iv) of subsection (1) of this
83 section, a per-location credit of the lesser of fifty percent
84 (50%) of the cost of the qualified clean-burning motor vehicle
85 fuel property or Two Thousand Five Hundred Dollars (\$2,500.00).

86 (4) In cases where no credit has been claimed under
87 subsection (3)(a) of this section by any prior owner and in which
88 a motor vehicle is purchased by a taxpayer with qualified
89 clean-burning motor vehicle fuel property installed by the
90 manufacturer of the motor vehicle and the taxpayer is unable or
91 elects not to determine the exact basis that is attributable to
92 such property, the taxpayer may claim a credit in an amount not
93 exceeding the lesser of ten percent (10%) of the cost of the motor
94 vehicle or Two Thousand Five Hundred Dollars (\$2,500.00).

95 (5) If the tax credit allowed under subsection (2) of this
96 section exceeds the amount of income taxes due or if there are no



97 state income taxes due on the income of the taxpayer, the amount
98 of the credit not used as an offset against the income taxes of a
99 taxable year may be carried forward as a credit against subsequent
100 income tax liability for a period not to exceed five (5) years.

101 (6) A husband and wife who file separate returns for a
102 taxable year in which they could have filed a joint return may
103 each claim only one-half (1/2) of the tax credit that would have
104 been allowed for a joint return.

105 (7) The Department of Revenue is empowered to promulgate
106 rules by which the purpose of this section shall be administered,
107 including the power to establish and enforce penalties for
108 violations of this section.

109 **SECTION 2.** Section 1 of this act shall be codified as a new
110 section in Chapter 7, Title 27, Mississippi Code of 1972.

111 **SECTION 3.** Nothing in this act shall affect or defeat any
112 claim, assessment, appeal, suit, right or cause of action for
113 taxes due or accrued under the income tax laws before the date on
114 which this act becomes effective, whether such claims,
115 assessments, appeals, suits or actions have been begun before the
116 date on which this act becomes effective or are begun thereafter;
117 and the provisions of the income tax laws are expressly continued
118 in full force, effect and operation for the purpose of the
119 assessment, collection and enrollment of liens for any taxes due
120 or accrued and the execution of any warrant under such laws before
121 the date on which this act becomes effective, and for the



122 imposition of any penalties, forfeitures or claims for failure to
123 comply with such laws.

124 **SECTION 4.** This act shall take effect and be in force from
125 and after January 1, 2024.

